

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0061-03
Bill No.: Perfected HCS for HB 50
Subject: Education, Elementary and Secondary: Promotion of Elementary School Pupils
Type: Original
Date: February 28, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)
State School Moneys	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(Greater Than \$100,000)	(Greater Than \$100,000)	(Greater Than \$100,000)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	(\$500,000)	(\$500,000)	(\$500,000)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** estimated costs of \$500,000 to school districts for designing reading improvement plans, thirty (30) hours of additional instruction or practice outside of regular school days during forth grade, subsequent assessments, and increased summer school enrollments.

DESE officials assume there could be some additional state aid going to districts due to a potential increase in summer school enrollments. On a statewide basis, the amount would be estimated to be in excess of \$100,000 per year, but DESE officials indicated the precise amount could not be estimated. (For example 400 additional students would cause about \$108,000 in additional aid.)

Officials of Department of Elementary and Secondary Education also noted that they would have to develop a new disaggregated form at the school district level to track the limited English proficiency students so that their assessment scores would not be counted in district ratings until those students had gone to a Missouri public school for five years. They assume the Department could absorb costs for system changes but would need a \$50,000 fee to set up a new form with the Assessment Program.

They noted that exempting students who receive special education services from "retake" provisions would save the state about \$86,200. (There were, last school year, 8,890 Individualized Education Program students who scored in Step 1 on the 2000 MAP. Assuming an average cost of \$9.70 per student per retest, savings would be \$86,233.)

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003	FY 2004
GENERAL REVENUE FUND			
<u>Savings</u> - Fewer MAP Test Retakes	\$86,200	\$86,200	\$86,200
<u>Cost</u> - Increased Transfers to State School Moneys Fund	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)
<u>Cost</u> - Department of Elementary and Secondary Education: New Assessment Program Form	(\$50,000)	\$0	\$0
<u>Cost</u> - Reimbursements of verifiable costs for 30 hours of additional reading instruction	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Greater than \$100,000)</u>	<u>(Greater than \$100,000)</u>	<u>(Greater than \$100,000)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003	FY 2004
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STATE SCHOOL MONEYS FUND

<u>Income</u> - Transfers from General Revenue Fund	Greater than \$100,000	Greater than \$100,000	Greater than \$100,000
<u>Cost</u> - Increased Distributions to School Districts	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)

ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2002	FY 2003	FY 2004
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SCHOOL DISTRICTS

<u>Income</u> - Increased State Aid for Summer School	Greater than \$100,000	Greater than \$100,000	Greater than \$100,000
<u>Income</u> - Reimbursements for 30 hours of additional reading instruction	Unknown	Unknown	Unknown
<u>Cost</u> - Reading Improvement Plan Development, Remediation, Assessments	(\$500,000)	(\$500,000)	(\$500,000)
<u>Cost</u> - Summer School	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)

ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>(Less than \$500,000)</u>	<u>(Less than \$500,000)</u>	<u>(Less than \$500,000)</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would replace section 167.645, RSMo 2000 Supp., which forbids promoting any public school student reading at more than one grade level below the student's grade level, with a reading assessment and remediation program.

Methods of reading assessment would be determined by each school district. Unless a student had been determined to reading at grade level or above, each school district would administer a DESCRIPTION (continued)

reading assessment to each student within 45 days of the end of the third-grade year. This

assessment would also be required for students entering grades 4, 5 or 6 unless the student would be determined to be reading at grade level or above.

Beginning with the school year 2002-2003, for each student whose third-grade reading assessment determines that such student is reading below the second-grade level, the school district would design a reading improvement plan for the student's fourth-grade year. Students receiving a reading improvement plan would be given another reading assessment, to be administered within 45 days of the end of the student's fourth-grade year. If the student reads below the third-grade level, the student would be required to attend summer school. At the end of summer school, another reading assessment would be given. If the student reads below the third-grade level, the district would provide a reading improvement plan for the fifth-grade year. This process would be repeated as necessary through the end of the sixth grade.

Each school district would be required to offer summer school reading instruction to any student with a reading improvement plan. Districts could fulfill the requirement in cooperation with neighboring districts.

Provisions of this proposal would not apply to students receiving special education services under sections 162.670 to 162.999, RSMo, or to students receiving services under Section 504 of the Rehabilitation Act of 1973 whose service plans include an element addressing reading, or to students determined to have limited English proficiency.

The proposal would also exempt some pupils receiving special education services from retaking reading tests as required in section 167.640, require that scores of limited English proficiency students be disaggregated from school district performances on statewide assessments for five years after those students enter public schools, and require the Department of Elementary and Secondary Education to reimburse school districts for some costs of remediation programs.

The proposal contains an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. The proposal would not affect Total State Revenue.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "E".

Jeanne Jarrett, CPA
Director
February 28, 2001